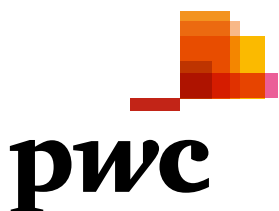


# Let's make it years not decades

Closing the gender pay gap in  
hospitality, travel and leisure



In collaboration with



# The time for action is now

All progress on closing the gender pay gap in hospitality, travel and leisure (HTL) should be applauded. But with just a 0.4% annual fall in the average gap across HTL overall, it could take the best part of another 20 years before we reach parity. We'll lose a wealth of great talent and performance will suffer if we wait that long.

How then can we accelerate progress? Drawing on a WiH2020 (Women in Hospitality, Travel and Leisure 2020) survey of HTL businesses with a total workforce of 120,000 people and in-depth analysis of the second round of gender pay gap reporting within the industry, we look at what the front-runners are doing to move the dial and how organisations can clear the barriers holding women back.

This report is based on the analysis and research of PwC, WiH2020 and UKHospitality in May and June of 2019.

---

## 10,442

Companies disclosed 2018 / 2019 figures at 5 April 2019

---

## 9,352

Companies that have made their second disclosure

---

## 742

Companies disclosed in the Hospitality, Travel and Leisure sector



Many businesses understand the importance of closing their gender pay gaps, but understanding the issue is only part of the solution. Greater priority is needed to turn firms' intention into focused action - using the results of their gender pay gap analysis to contribute to impactful, measurable change.



**Jon Terry,**  
UK Diversity & Inclusion  
Consulting Leader, PwC

# Headlines

The second year of gender pay disclosures in HTL shows a marginal improvement overall (the mean pay gap is 7.6% compared to 8% last time round). This is below the 13.1% in the economy as a whole, though travel is much higher (21.3%).



## Men still hold most of the top jobs

The gender gaps reflect the fact that there are far more men than women in the best paid senior positions (CEO and CFO in particular) and technical roles (e.g. airline pilots) and far more women in low paid and unskilled jobs in HTL (e.g. housekeeping). These are also sectors with high staff turnover and a prevalence of insecure seasonal work.



## Drain on talent and performance

There are no quick fixes. But at the current slow rate of progress, many talented women will be deterred from taking up careers in HTL or become frustrated and leave. The publicity surrounding gender pay gaps can also damage the brand among customers as well as employees.



## Reporting focuses minds on closing the gap





The WiH2020 reveals increased confidence in the preparation of the numbers and a strong belief that the spotlight of reporting is focusing senior management minds on how to close the gap. However, some participants feel that the reporting isn't a fair reflection of their businesses. There are also concerns that the level of work needed to comply could end up making this a "box-ticking" exercise, rather than a means to tackle gender inequality.



## Business priority not just nice to have

Working towards targets (e.g. 30% female or 10% ethnic minority boards) and initiatives such as unconscious bias training and insisting on mixed gender shortlists can all play their part in closing the gap. Yet to really accelerate progress, experience in both travel and other sectors highlights the vital importance of active board level direction and alignment with overall business goals. And as with any other strategic priority, this should be backed up with measurement, intervention to tackle problems and an accountability framework that builds progress on gender pay into performance assessment and incentives.

## Gender pay gap (last year's results in brackets)

	Mean Pay Gap	Median Pay Gap	Mean Bonus Gap	Median Bonus Gap
 <b>Hospitality, Travel &amp; Leisure</b>	<b>7.6%</b> (8.0%)	<b>2.1%</b> (2.1%)	<b>29.4%</b> (29.9%)	<b>15.0%</b> (15.7%)
 <b>Hospitality</b>	<b>11.4%</b> (12.4%)	<b>1.0%</b> (1.0%)	<b>25.4%</b> (23.2%)	<b>14.3%</b> (12.9%)
 <b>Travel</b>	<b>21.3%</b> (22.0%)	<b>20.9%</b> (23.5%)	<b>35.7%</b> (34.8%)	<b>13.2%</b> (11.7%)
 <b>Leisure</b>	<b>10.0%</b> (10.0%)	<b>7.6%</b> (3.2%)	<b>36.7%</b> (43.0%)	<b>17.8%</b> (24.9%)

## Mean, median and equal pay

Travel companies with more than 250 employees have to report their mean and median gender pay gaps and bonus pay gaps. What does each measure tell us?

**Mean:** This considers all the data with equal weighting, including outliers.

**Median:** This only looks at the midpoint, and so effectively ignores outliers and anomalies.

**Equal Pay:** A gender pay gap doesn't necessarily indicate women are being paid less than men for performing the same work, which is illegal. But it does reveal the extent to which men hold a disproportionate amount of the top jobs and women occupy more lower paid roles than men.

# 1. Equality under the spotlight

**Gender pay reporting has put equality under the spotlight. While there may well be areas where progress is needed, this is also an opportunity to showcase achievements, mobilise the business and set out plans for improvement.**

Gender pay gaps matter. Whatever else a business says about its commitment to equal opportunities, a pay gap shows that the best paid jobs still mainly go to men. Why should a woman join or remain with an organisation if she has less chance of fulfilling her potential than a male colleague? At the very least, she'll want to know what the organisation is doing to close the gap.

Gender pay also matters commercially and reputationally in an industry in which customers want to do business with organisations that reflect them and treat their employees fairly. The much publicised decision by Johan Lundgren, the incoming CEO of easyJet, to take a pay cut to match the salary of his female predecessor Carolyn McCall, demonstrates the importance of pay equality in shaping brand perceptions.

## **Focusing minds**

Statutory pay gap reporting, now in its second year, has brought gender equality into even sharper focus. As the latest round of disclosures were being finalised, WiH2020 carried out a survey of member companies, along with a number of in-depth interviews, to establish trends, themes and lessons on this year's gender pay gap reporting.

What comes through strongly is the extent to which gender pay gap reporting has focused minds within the HTL industry on how to close the gaps. Nikki Humphrey, SVP, People of Virgin Atlantic stressed "being transparent about our data was a positive move for us. It was the catalyst for change and triggered a very open and productive conversation about the actions we were taking and what actions we needed to take".

A number of companies also reported how the reporting exercise has helped them to identify the key areas they need to measure as they look to promote gender parity. An executive from a leisure company said: "It has really helped us analyse our demographic and identify where we need to focus our strategy."

## **Raising the bar**

So, will the bar continue to raise? While most survey participants see gender pay reporting as a 3-5-year journey, there will be pressure to show year-on-year improvement and that promises are being met. And this is only the beginning. At present, gender pay gap reporting covers businesses with over 250 employees, but there are moves within Parliament to reduce the threshold to 50. It's also likely that ethnicity pay gap reporting will soon become a legal requirement and further highlight the lack of diversity within high paid positions.

## Is gender pay gap reporting worth the effort?

From comparing pay within a complex series of salary bands and quartiles to gauging the proportion of men and women receiving bonuses, preparing gender pay gap reports can be a big ask.

The WiH2020 survey finds that HR, payroll, reward, internal communications and legal teams were largely responsible for preparing the reports. In most cases, results were discussed in the executive committee or the board, with chairpersons and remuneration committees directly involved in or approving the report.

The good news is that most feel that the workload has eased now systems are up and running. An executive from the leisure industry remarked how much simpler it was the second time around “as payroll systems and reports aligned to make data preparation much easier.”

However, a few leaders described the process of gathering data as needlessly complex, time-consuming and difficult. One went as far as saying that “gender pay gap reporting is a blunt tool and not a very accurate one”. The underlying concern is that all the work needed to complete the reports could give rise to a lacklustre, solely compliance-driven approach to addressing gender disparity. As one executive pointed out, reporting may “start to lose its value in shining a spotlight on lack of movement and honest change”.

Nonetheless, this is how businesses will be judged, including those in HTL. And yes, some of the statutory disclosures don’t reflect what’s going on in the business when presented in isolation. But that reinforces the importance of going further than basic compliance by explaining why there are gaps and what organisations plan to do about them.

Businesses may be wary of drawing attention to shortcomings. Yet, even if they are behind the curve now, there are opportunities to get on the front foot by acknowledging that there are barriers that need to be cleared away and setting out plans for accelerating progress. Such openness and resolve can make a favourable public impression.

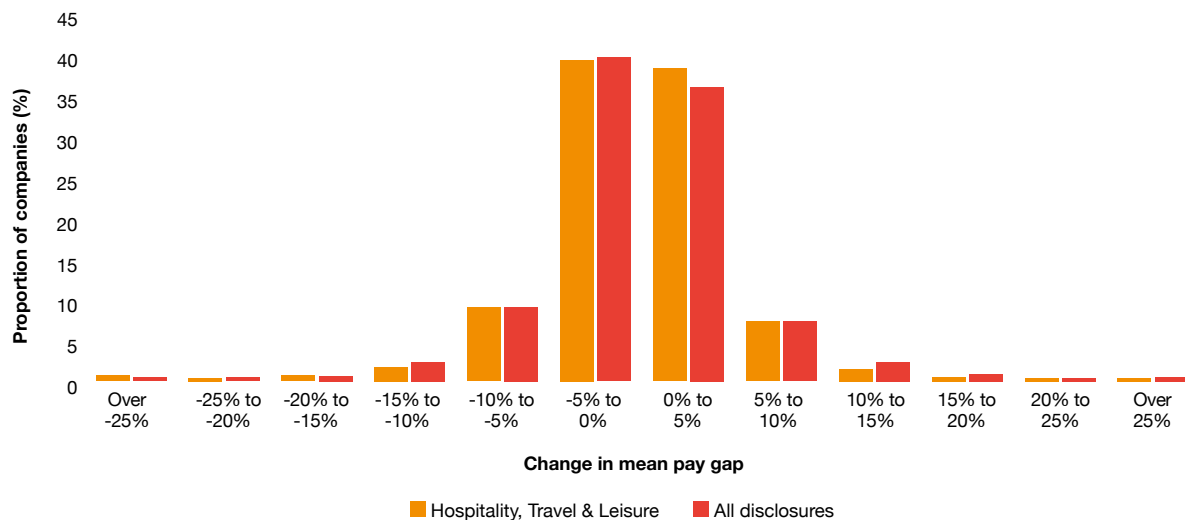
The big risk is seeming to downplay pay gap disclosures by reporting at the last minute, only presenting the bare facts and failing to set out how the business is going to fix any problems. If this occurs, employees and potential recruits could conclude that the business doesn’t take the issue seriously enough.



## 2. How far has the industry come?

Nobody believed that historic imbalances could be resolved overnight. And the fact that just over half of the HTL companies we analysed have seen a fall in their gender pay gap suggests that momentum is building behind the issue. Yet, the fact remains that movement has been marginal at best.

### Hospitality, travel and leisure overall



76%

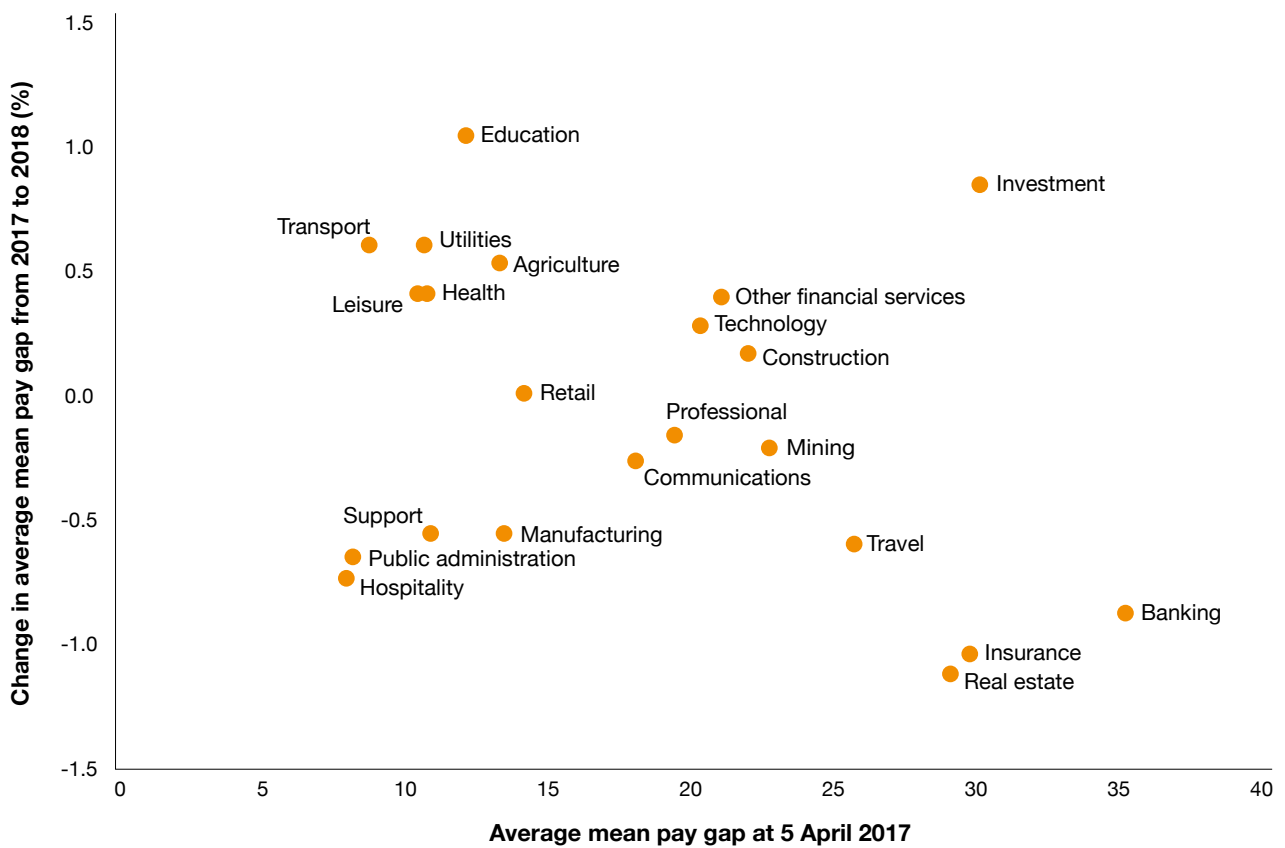
Companies with change in mean pay gap of less than 5%

52%

Of companies in HTL reduced their mean pay gap

The pay gaps highlight the extent to which gender inequality remains ingrained within the HTL industry. Some of the causes may be common to businesses in all sectors such as unconscious bias in recruitment and selection. Yet some are specific, or at least more pronounced, within HTL. This includes the preponderance of women in low paid and entry level positions, while men still make up the bulk of the board.

### How hospitality, travel and leisure compare to other sectors (baseline and change since last year)





### Limited options

Typically, women take up roles in the lower quartile pay bands to allow for greater flexibility in their working hours. These positions often offer little scope for career progression. Conversely, the pay gap data alerted some companies to the potential gender bias and stereotypes associated with back of house roles such as chefs, where attracting women is a challenge.

### Clustered in the back-office

Where women are in senior positions, many remain clustered within support functions such as HR, rather than frontline profit & loss (P&L) drivers. Bonus payments are more prevalent within these P&L driving functions, which is reflected in the 29.4% mean bonus gap in HTL. In travel and leisure, it is more than 35%.

### Decisions made elsewhere

In an increasingly globalised industry, the WiH2020 survey highlighted the extent to which decisions over senior appointments are made in countries outside the UK, where there may be less focus on equality. One hospitality executive explained: “The bonus gap is an issue, as we have global leadership teams on our market payroll. These appointments are often made out of our jurisdiction. We will need to find ways to influence these decisions.”



We employ housekeepers, and over 90% are female. Housekeepers make up a third of the workforce. This drives down the average pay for women. Of our board the majority are male, driving up the average pay for men. Overall 70% of the workforce are female, so with male dominance on the board this impacts heavily on our gender pay gap.

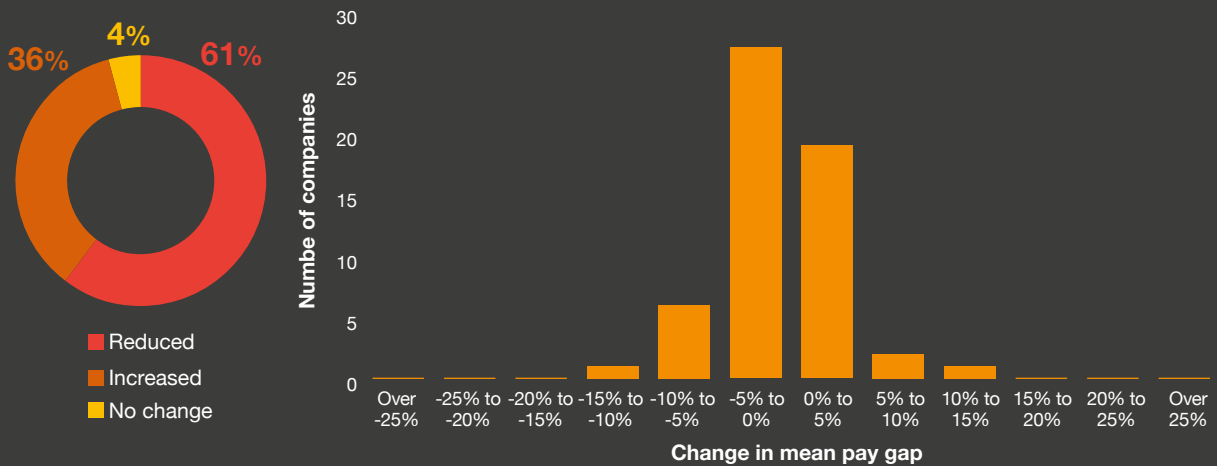
HR business partner  
Hospitality sector



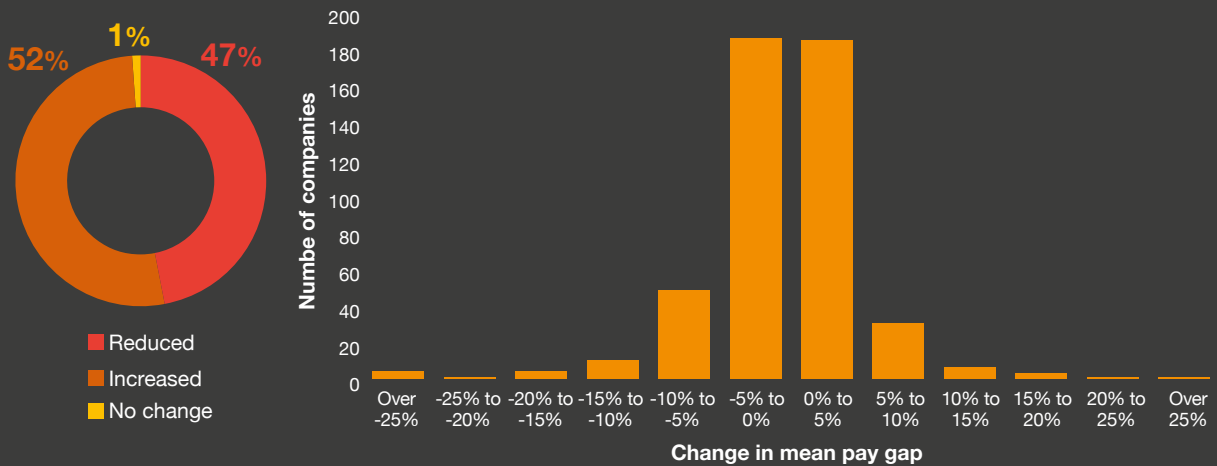
## Sector by sector spotlight

More than 60% of travel businesses saw a fall in their gender pay gap, more than hospitality and leisure. The increased focus on closing the significant gender pay gap in travel is also reflected in the fact that more businesses reported early, though just as with hospitality and leisure, the bulk still leave it to just before the deadline.

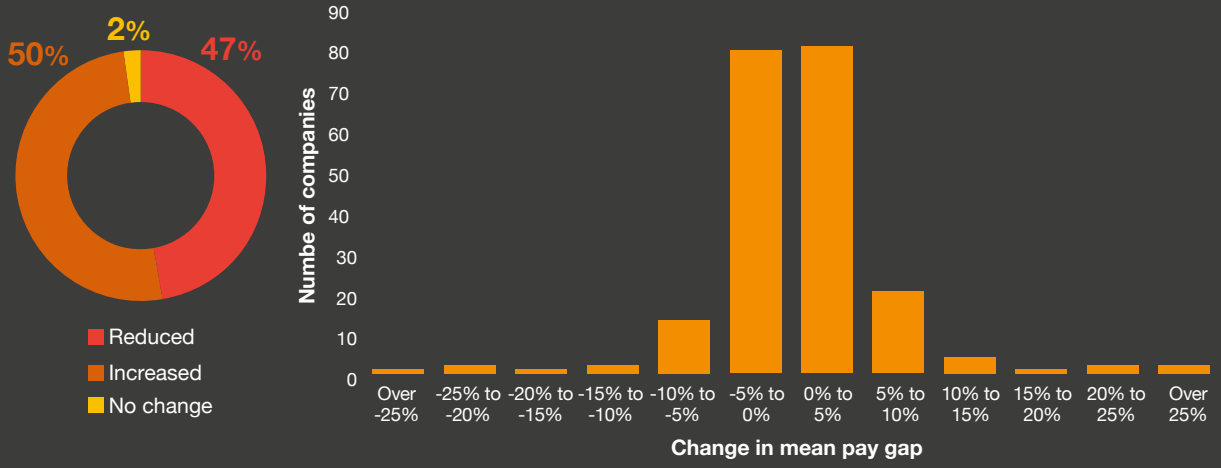
### Travel: Change in mean pay gap from 2017 to 2018



### Hospitality: Change in mean pay gap from 2017 to 2018



## Leisure



# 3. How the HTL industry is responding

What then are HTL businesses doing to close the gaps? In the WiH2020 survey, companies were asked what actions they had taken over the last 12 months to address last year's findings.

Typical responses include reviewing the gender balance within teams, the introduction of unconscious bias training, setting up gender pay forums and implementing flexible working policies and practices.

Many companies are also stepping up efforts to identity and tackle barriers to equal hiring and progression. For example, a large pub group has set up a women's network to discuss the issues blocking promotion within their organisation. In turn, a leisure company has enlisted a dedicated recruitment team, who support and coach managers.

A spokesperson for the company outlined the practical steps involved: "We are providing more soft skills training to assist with things like presentation skills, coaching and development to help build our employee skills. We have also used assessment days as a recruitment method, enlisting a diverse panel of assessors."

Virgin Atlantic is committed to tackling the demographic imbalance within the aviation industry. Initiatives include Virgin Atlantic Springboard, which is a personal and professional development programme, designed and delivered by women for women. It gives women, who are in the early stage of their career, the skills and confidence to make meaningful changes and improvements in their careers and their personal lives. In 2018, 67 people attended, with exceptional feedback. The 2019 target is for 140 to attend this course.

## Able to shine

Many organisations recognise that closing the gap isn't just about promotion and pay, but also creating an environment where women feel able to be themselves, speak out on issues that affect them and access the support they need to fulfil their potential. A spokesperson for a restaurant company shared

examples of how they are looking to develop an inclusive culture: "Our global CEO has set our ambition to achieve greater gender balance across the organisation, activated through a Global Women's Leadership advisory board to act as an internal strategic partner and advisor for benefits, talent and development of women." Another company reported that they have set up a Gender Pay Forum focused on building tangible and relevant action plans and answering any questions employees may have on the subject.



The gender pay gap for hospitality is significantly smaller than the economy as a whole and it continues to shrink. This is very positive news and a vindication of every time we say what an inclusive and progressive place the hospitality sector is to work. There is, of course, even more that we can do to close the gender pay gap and reach parity as well as promoting equality and inclusivity in the sector. There is certainly more work to be done to ensure that more women have access to the top jobs. That is why UKHospitality has this year established a Diversity Forum and promotion of our Plan B mentoring programme. That way, we can ensure our members, and the whole sector, can provide opportunities irrespective of gender and background, and continue to promote equality.

**Kate Nicholls**  
CEO UKHospitality.

### **Making flexibility a real choice**

A number of companies now also offer increased support for flexible working requests, which has had a positive effect on the numbers. An executive from a restaurant group reported: “We launched a series of ‘Let’s Talk About Flex’ events in our restaurants to provide free help and advice on flexible working for all, such as how to start a conversation on working flexibly. We are committed to offering all our restaurant staff the choice of flexible or fixed contracts with minimum guaranteed hours – and in head office we provide the widest range of working patterns possible.”

### **Brand repositioning**

Audley Travel has identified specific measures to help promote gender balance at all levels of the organisation. Jemimah Parnell, Group HR Director, confirmed: “We will raise awareness of the Audley brand to potentially bring more men in at lower levels and women in at the high levels. We will also offer and encourage the take up of a wider range of alternative working arrangement options at all levels.”

### **Taking equality to the next level**

Is it possible to make a real dent on the pay gap in a relatively short space of time? The Eden Project demonstrated the potential, having narrowed its gender pay gap from 18.8% to 4%.

Dawn George, Director of HR and Inclusion said: “We hoped to see movement, but hadn’t appreciated that it would be as it was! Our male/female balance was 47/53%, and over the year more women had been promoted to senior level positions, and there had been more senior female recruits into other roles within the organisation above the median point.”

How has this been achieved? Over the last 12 months, more women have been appointed to the senior management team together with more recruited into Quartile 4 for management positions and technical roles.

Dawn George explained: “Eden International roles are a good example together with London based communities roles, where proportionately more females have been reported onto higher salaries because of the location of the roles”.

The Eden Project illustrates just how effectively individual employers can act to eliminate any male to female ratio differentials and how this can underpin their business success. A balance of succession and talent planning, role reviews and support for flexible working requests have been instrumental to the multi-pronged approach they have undertaken in closing the company’s pay gap.

Underpinning this is the strategic impetus behind equality. Dawn George said: “Our aim is to keep a close eye on employee development and the recruitment agenda in a sustained approach to maintaining the gender balance, and where we can, encourage more female employees into ‘traditional’ male-dominated roles through appropriate training and support. We feel our approach is robust and we now need to sustain this.”



The majority of pilots and engineers, usually high salaried roles, are male, while many of the women in our organisation are cabin crew or in retail and customer service, positions tending to have lower salaries,” said Nikki Humphrey Senior Vice President People, Virgin Atlantic. “To really move the needle on this, we need both immediate action and long-term plans to help address the demographics of our sector. We are doing this by identifying innovative ways to recruit talent and by developing an inclusive hiring toolkit.

**Nikki Humphrey**

Senior Vice President People, Virgin Atlantic.

# 4. Accelerating progress

If pay equality is a business imperative with significant bottom line implications, it should be treated like one. As our survey highlights, HTL businesses are making efforts across a number of fronts to close the gender pay gap.

As the WiH2020 survey highlights, HTL businesses are making efforts across a number of fronts to close the gender pay gap. But to really move the dial, experience in both HTL and other sectors underlines the need to embed the drive for pay parity and underlying equality of opportunity into the strategic fundamentals of the business. In practice, this comes down to five key pillars for accelerating progress:



#### Align diversity with your business strategy

Help build business buy-in by articulating how gender pay parity and equality of opportunity can support business priorities. Having made a strong business case, organisations can begin to align gender balance with strategic planning, not just in relation to recruitment and progression, but also marketing, brand management and flexible working practices.



#### Drive accountability from the top

Senior leadership and board members should take the lead. This requires more than just statements of intent. It's important to ensure that someone within the leadership team is given the job of closing the gap, and held to account. This can be supported by building gender pay and other diversity and inclusion metrics into individual performance objectives and incentives as part of an organisation-wide accountability framework.



#### Set realistic objectives and a plan to achieve them

Once pay parity and underlying diversity and inclusion objectives are clearly identified, build an action plan based on them, and include consideration of how key HR processes (such as performance management) will support these, focusing on how they will be achieved and measured.



#### Use data: What gets measured gets done

Use data and analytics tools to measure progress and the return on investment, target problem areas for intervention and drive accountability. An increase in the use of data analytics can help to develop a better understanding of patterns and risk areas, and engage the business in the process. Examples include the proportion of women moving from lower to higher pay bands. If most of the promotions are still going to men, why is this and what can be done to promote balance?



#### Be honest: Tell it as it is

Clear and honest communication of plans to close the gap and progress against them can help demonstrate an organisation's commitment to gender pay parity and equality of opportunity to staff and external stakeholders. It's also important to look at how to make the numbers more reflective of the realities within the business.

This includes explaining where the gaps exist and the reasons for them. Organisations can also look at how to make the numbers more relevant. Examples include adopting new job levelling approaches to ensure that jobs are valued correctly. Additionally, market testing pay ranges and potentially shifting to narrower ranges can help reduce gaps.

In collaboration with



## About WiH2020

WiH2020 is the most influential collaboration platform of leaders across the hospitality, travel and leisure sector and is devoted to increasing women's representation and diversity as a whole in leadership positions across the HTL sector. We believe that through collaboration we can amplify the impact of individual diversity initiatives, together we can have a bigger, louder voice for the good of the industry.

For more information, please visit  
<https://www.wih2020.com>



## About PwC

At PwC, we recognise that promoting diversity and inclusion is the right thing to do. From a business perspective, we also recognise that a diverse workforce drives innovation, improved working environments and enhanced customer service. Our own diversity journey illustrates that organisations need a diverse workforce to have impact and serve our communities, stakeholders and clients. Through our global diversity and inclusion framework, we bring together an unmatched combination of industry, business, strategy, talent, HR, analytics and technology expertise and work with our clients to develop and execute their own strategies.



## About UKHospitality

UKHospitality is the powerful voice representing the broad hospitality sector – covering everything from bars, coffee shops, contract catering, hotels, nightclubs, visitor attractions and other leisure venues. Representing more than 700 companies in a sector that employs 2.9 million people, UKHospitality speaks for a sector that represents 10% of UK employment, 6% of businesses and 5% of GDP.

# Get in touch

**To discuss gender pay gap reporting, or related diversity and inclusion issues, please get in touch.**

**Jon Terry**  
UK Diversity and Inclusion Consulting Leader, PwC  
[jon.p.terry@pwc.com](mailto:jon.p.terry@pwc.com)

**Holly Fraser**  
Diversity and Inclusion Consulting Manager, PwC  
[holly.fraser@pwc.com](mailto:holly.fraser@pwc.com)

**WiH2020**  
[info@wih2020.com](mailto:info@wih2020.com)

**Kate Nicholls**  
UKHospitality Chief Executive Officer  
[knicholls@ukhospitality.org.uk](mailto:knicholls@ukhospitality.org.uk)

[www.pwc.com](http://www.pwc.com)



At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2019 PricewaterhouseCoopers LLP. All rights reserved. PwC refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

Design Services 32042 (06/19).